



STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
21 GRAND STREET HARTFORD, CT 06106-1500
Toll-Free 1-800-504-1102 (860) 241-8400 Fax (860) 525-6018 www.ct.gov/trb

DIVORCE & DIVISION OF PENSION BENEFITS BY DOMESTIC RELATIONS ORDERS

A Domestic Relations Order (DRO) is a legal document signed by a judge ordering that certain payments be made to a former spouse of a member rather than to the member him/herself. A Domestic Relations Order is prepared by an attorney usually on the basis of information obtained from our office.

The following information is included in this packet:

- Domestic Relations Orders - Terms, Plan Provisions & Example
- Sample Domestic Relations Order

The Connecticut Teachers' Retirement System can also provide a **Summary of Account**. This summary is prepared from information displayed in the member's detail history and will reflect the member's account balances and accrued benefit as of the most recent posting date. If the member is eligible for a vested benefit, we will provide the amount of the benefit earned and the date that it is payable. CTRB **can not** provide the value of the pension. The information contained in the Summary of Account may be forwarded to a professional actuary to determine this value, if needed.

The benefits of a member receiving a disability allowance are not subject to the terms and conditions of a DRO, but may be subject to such an order at such time as the benefit is converted to a normal service retirement.

To obtain a Summary of Account, please submit your request in writing to:

State of Connecticut Teachers' Retirement Board
Attention: Darlene Perez, Administrator
21 Grand Street
Hartford, CT 06106-1500

The State of Connecticut Teachers' Retirement System is not subject to Federal QDRO provisions.

The State Teachers' Retirement System is established and maintained by the State of Connecticut pursuant to Chapter 167a of the Connecticut General Statutes. It is a "governmental plan" within the meaning of section 414(d) of the Internal Revenue Code and is exempt from the provisions of Section 411 of that law.

Because it is exempt from the provisions of Section 411, paragraph (13) of Section 401(a) does not apply to the Teachers' Retirement System, and therefore neither does Section 414(p) of the Code.

Domestic Relations Orders Terms, Plan Provisions & Example

Cash Value in the Plan

The amount in a member's account that would be paid to the member upon withdrawal of the account due to termination or death. For example: Account Balance as of June 30, 2000 = \$50,000.

Present Value of a Benefit

A lump sum value of the present worth of a monthly benefit payable now or in the future.

For example: A member is eligible, based on his/her current service and current average salary to receive a benefit of \$1,000 monthly beginning at age 60. If the member is currently age 52, the actuary would determine the amount at age 52 that would be needed to fund this benefit payable 8 years into the future.

TRS will not compute this value. TRS will provide the member with the amount of his/her accrued benefit which has been earned to date and the date it becomes payable. An actuary will use this information to compute the present value of the benefit.

While this number is important in determining the value of a benefit, it should not be construed to be a real value that exists within the member's account. The only assets with cash value are the member's contributions. For example: A member, age 60 who qualifies for an immediate benefit of \$2,000.00 monthly may have an account balance of \$75,000 in his/her account. Although the value of the benefit may be worth \$200,000, the only cashout value is the member's balance of \$75,000. If the account were cashed out, he/she would forfeit entitlement to monthly benefits.

Pre-retirement Benefits

Benefits cannot be paid to the Alternate Payee until the member is in pay status. The member must be receiving a monthly benefit or apply for a refund ***following termination of service*** in order for the Alternate Payee to begin receiving benefits.

Death Settlement

- ***Pre-Retirement Death without statutory survivors (spouse, minor children)***
Balance of account paid in a lump sum to designated beneficiary and/or Alternate Payee.
- ***Pre-Retirement Death with statutory survivors (spouse, minor children)***
Monthly benefits must be paid to statutory survivors for as long as they are eligible for monthly benefits. Any balances remaining following termination of benefits would be payable to designated beneficiary and/or Alternate Payee.
- ***Post Retirement Death Benefits***
A member, unless precluded by a court order, may elect various payment plans at retirement.

DEATH SETTLEMENT - DRO ON FILE

Death Occurs	Member Remarried Statutory Survivor(s)	Member Not Remarried No Statutory Survivor(s)
Prior to Retirement	New Spouse receives monthly survivorship benefits. Alternate Payee may receive a lump sum only if benefits to new spouse terminate and a balance is remaining.	Lump sum is payable to Alternate Payee as provided in the Domestic Relations Order.
After Retirement	Benefits are payable based on the Payment Plan selected by the member at retirement. Marital status is irrelevant.	Benefits are payable based on the Payment Plan selected by the member at retirement. Marital status is irrelevant.

Note: In the event of the death of the Alternate Payee, any benefits which are being paid or subject to being paid will revert to the member

Retirement Payment Plan Options

Life Option- Plan N

Benefits to the Alternate Payee would continue for the lifetime of the member and cease upon the death of the member. Any remaining cash value would be paid to the designated beneficiary and/or Alternate Payee.

Period Certain Option - Plan C (five, ten, fifteen, twenty or twenty-five years)

Benefits to the Alternate Payee would continue for the lifetime of the member. Benefits would be payable to the designated beneficiary and/or Alternate Payee for balance of term selected by member at retirement.

Coparticipant Option - Plan D (whole amount, three quarters, two thirds, one half, or one third)

If the Alternate Payee is named as the Co-participant, he/she would continue to receive benefits for his/her lifetime based on the fractional amount designated by the member. If the Alternate Payee is not the designated Co-participant, benefits to the Alternate Payee would cease upon the member's death.

REDUCTION FACTORS FOR BENEFIT OPTION - PLAN C PERIOD CERTAIN & CONTINUOUS

MEMBER AGE	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS
50	99.9	98.9	97.7	96.1	94.5
51	99.8	98.8	97.4	95.8	93.9
52	99.8	98.7	97.2	95.3	93.3
53	99.8	98.6	96.9	94.8	92.7
54	99.8	98.4	96.5	94.3	92.0
55	99.8	98.3	96.2	93.7	91.2
56	99.7	98.1	95.8	93.1	90.4
57	99.7	97.9	95.3	92.4	89.5
58	99.7	97.6	94.8	91.6	88.5
59	99.6	97.3	94.2	90.7	87.4
60	99.6	97.0	93.6	89.8	86.2
61	99.5	96.7	92.8	88.8	85.0
62	99.5	96.3	92.0	87.7	83.7
63	99.4	95.8	91.2	86.4	82.3
64	99.3	95.3	90.2	85.2	80.8
65	99.3	94.7	89.2	83.8	79.3

REDUCTION FACTORS FOR BENEFIT OPTION - PLAN D CO-PARTICIPANT OPTION

CO-PART		MEMBER'S AGE									
AGE	Fraction	50	52	54	56	58	60	62	64	66	68
50	100%	90.7	89.2	87.4	85.5	83.3	80.9	78.3	75.4	72.3	69.1
	75	92.9	91.7	90.4	88.8	87.1	85.1	82.9	80.5	77.9	75.2
	66 2/3	93.7	92.6	91.4	90.0	88.4	86.6	84.6	82.4	80.0	77.5
	50	95.2	94.4	93.5	92.4	91.2	89.8	88.2	86.4	84.5	82.4
	33 1/3	96.9	96.3	95.7	94.9	94.1	93.1	92.1	90.9	89.5	88.0
55	100%	91.9	90.6	89.0	87.2	85.1	82.8	80.2	77.4	74.4	71.3
	75	93.9	92.8	91.6	90.2	88.5	86.7	84.6	82.3	79.8	77.1
	66 2/3	94.6	93.6	92.5	91.2	89.7	88.0	86.1	84.0	81.7	79.2
	50	95.9	95.2	94.3	93.4	92.2	90.9	89.4	87.8	85.9	83.9
	33 1/3	97.3	96.9	96.3	95.6	94.9	94.0	93.0	91.8	90.6	89.2
60	100%	93.2	92.0	90.6	89.0	87.1	85.0	82.6	79.9	77.0	73.9
	75	94.9	94.0	92.9	91.6	90.1	88.4	86.5	84.4	82.0	79.4
	66 2/3	95.5	94.6	93.7	92.5	91.2	89.7	87.9	86.0	83.8	81.4
	50	96.6	96.0	95.3	94.4	93.4	92.2	90.9	89.3	87.6	85.7
	33 1/3	97.8	97.4	96.9	96.4	95.7	94.9	94.0	93.0	91.8	90.6
65	100%	94.5	93.5	92.3	90.9	89.2	87.3	85.2	82.7	80.0	77.1
	75	95.9	95.1	94.2	93.1	91.8	90.4	88.7	86.7	84.5	82.1
	66 2/3	96.4	95.7	94.9	93.9	92.8	91.4	89.9	88.1	86.1	84.0
	50	97.3	96.8	96.2	95.5	94.6	93.6	92.4	91.1	89.6	87.9
	33 1/3	98.3	98.0	97.6	97.1	96.6	95.9	95.1	94.3	93.3	92.2

EXAMPLE

Member A is age 51 at the time of divorce with 20 years of service and an average salary of \$55,000. The benefit payable as of the member's retirement date age 60 would be:

\$55,000 X 40% = \$22,000.00/ 12 =	\$1,833.33	(Total accrued benefit @ 60)
Percent Payable to Alternate Payee	X 50%	
Amount Payable to Alternate Payee	\$ 916.66	

Reduction for Early Retirement

If Member A retires at age 58 with 27 years of service and an average salary of \$68,000, the calculation of the early retirement benefit is as follows:

\$68,000 X 2% X 27.0 Yrs =	\$36,720.00	
Early Retirement Factor	X .88	
	\$32,313.60	
Total Monthly Ret. Benefit	\$ 2,692.80	(Plan N, Normal Allowance)
Alternate Payee Accrued Benefit	\$ 916.66	
Early Retirement Factor	X .88	
Alternate Payee Early Ret. Benefit	\$ 806.66	(Plan N, Normal Allowance)
Total Benefit =	\$ 2,692.80	
Alternate Payee Early Ret. Benefit	- 806.66	
Payment to Member	\$ 1,886.14	(Plan N, Normal Allowance)

Reduction for Benefit Option

Plan C (Period Certain and Continuous)

If Member A retires and elects Plan C, Period Certain and Continuous for a term of twenty-five (25) years, the calculation of the benefit amounts for the member and Alternate Payee would be calculated as follows:

	<u>Plan N Allowance</u>		<u>Option Factor</u>	<u>Plan C Benefit</u>
Member	\$1,886.14	X	88.50% =	\$1,669.23
Alternate Payee	\$ 806.66	X	88.50% =	\$ 713.89

Should the member die before the Period Certain expires, the Alternate Payee would continue to receive a monthly benefit of \$713.89 for the *balance of the term remaining*.

Plan D (Co-participant Option)

If Member A retires and elects Plan D, Co-participant Option for 33.3% (Co-participant age 56), the calculation of the benefit amounts for the member and Alternate Payee would be calculated as follows:

	<u>Plan N Allowance</u>		<u>Option Factor</u>	<u>Plan D Benefit</u>
Member	\$1,886.14	X	95.0% =	\$1,791.83
Alternate Payee	\$ 806.66	X	95.0% =	\$ 766.32

Upon the death of the member, the Alternate Payee as the Co-participant would receive one-third of the total benefit (\$1,791.83 + 766.32) = \$852.71 for life.

SAMPLE

DOMESTIC RELATIONS ORDER

Docket Number: : Superior Court

Plaintiff : Judicial District of

vs.

Defendant

AND NOW, this _____ day of _____, 20____

It appearing to the Court that:

This order shall be entered as a domestic relations order ("DRO") under the domestic relations laws of Connecticut which specifically deal with alimony, maintenance payments or marital property rights between spouses; and further, pursuant to the Teachers' Retirement Act ("TRA"), Chapter 167a of the Connecticut General Statutes. This Order is intended to provide and assign to an alternate payee (NAME) a portion of the retirement benefits payable to the participant member (NAME) under the State of Connecticut Teachers' Retirement System ("CTRS" or "Plan") as those benefits become due and payable under the terms of the Plan;

STATEMENT OF FACTS FOR COURT ORDERED ASSIGNMENT OF RETIREMENT BENEFITS:

A. Parties/Plan Information:

1. The Member's full name, last known address and other relevant information:

 (Name)
 (Address)
 (Social Security Number)
2. The Alternate Payee's full name, last known address and other relevant information:

 (Name)
 (Address)
 (Social Security Number)
3. Plan Name:

 State of Connecticut Teachers' Retirement System (CTRS)
4. Plan Administrator:

 State of Connecticut
 Teachers' Retirement Board
 21 Grand Street
 Hartford, CT 06106-1500

5. Benefits

Benefits to the Alternate Payee will commence as such time the member retires and begins to receive monthly benefit payments from the plan. Unless otherwise stated, accrued benefits shall include all member contributions including any 1% Supplemental and Voluntary contributions with credited interest. Benefit payments to the Alternate Payee will cease upon the death of the member, unless otherwise provided by an optional payment plan selected by the member at retirement. The Alternate payee shall not be treated as the spouse or surviving spouse of the member under the provisions of the plan. Benefit payments will cease upon the death of the Alternate payee. All interest in and to the remaining plan benefits shall remain and belong to the member.

Options (Choose a or b)

- (a) The Alternate Payee is entitled to receive _____% of the member's accrued benefit earned by the member as of the date of dissolution of the marriage on _____. Such benefit will be based on the member's service and highest three year average salary as of the date of the dissolution of the marriage.

OR

- (b) The Alternate Payee is entitled to receive \$_____ per month.

Select the statements that will apply:

The Alternate Payee's benefits will/will not be actuarially reduced if benefits commence prior to the member's attainment of age 60.

The payment plan selected by the member is/is not specified. The plan to be selected is:

- Payment Plan N, Normal Allowance
- Plan C, Period Certain and Continuous Basis (5, 10, 15, 20, 25 years).
- Plan D, Co-Participant Option (100%, 75%, 66 2/3%, 50%, 33 1/3%)

The Alternate Payee's benefits will/will not be actuarially reduced if the member chooses an optional payment plan.

OR

The Alternate Payee's benefits will be actuarially reduced if the member chooses an optional payment plan for which the Alternate Payee will be the recipient of such benefits.

The Alternate Payee will/will not receive cost of living increases in the same manner and time as provided by the Plan.

6. Contributions

In the event that a lump sum amount may be distributed as a result of the member's withdrawal from service, retirement or as a result of death, the Alternate Payee will retain:

(Choose a or b)

(a) a proportional interest

OR

(b) \$_____

of the member's account balances as of the date of the dissolution of the marriage, with any credited interest that may have been earned on such balances.

For purposes of determining the non-taxable portion of the distribution, any after tax contributions made up to the date of the dissolution of the marriage will be similarly allocated, unless otherwise stated.

7. This Order does not require the Plan to:

- (a) provide any type or form of benefit, or any option, that is not otherwise provided under the provisions of the Plan;
- (b) provide increased benefits; and
- (c) make payments of benefits to the Alternate Payee that are required to be paid to any other Alternate Payee under and existing Order.

8. The Court retains jurisdiction to amend this Order only for the purpose of establishing or maintaining its validity and enforceability under the Plan.

9. A certified copy of this Order shall be mailed to the Plan Administrator. IT IS INTENDED that this Order shall qualify as a Domestic Relations Order.

BY THE COURT:

CONSENTED TO:

Plaintiff:

Defendant:
